

August 24, 2017

Subject: Transformative Climate Communities Program

Reporting Period: July 2017 – August 2017

Staff Lead: Tabettha Willmon, Strategic Growth Council

Recommended Action:

Adopt the 2016-17 Final Draft Transformative Climate Communities (TCC) Program Guidelines (Attachment 1). With Strategic Growth Council (SGC) adoption of the Guidelines, staff will proceed with the solicitation of projects eligible under these Guidelines via a competitive process.

Summary:

This report provides background on the TCC program and summarizes the proposed changes between the last staff report, provided to the Council at its meeting on July 17, 2017, and this meeting, including:

- Incorporating feedback from stakeholders on the Third Revision Draft Scoping Guidelines;
- Releasing a Fourth Revision Draft Guidelines for public comment;
- Incorporating feedback from stakeholders into the Proposed Final Guidelines; and,
- Next steps in program roll-out.

On July 26, 2017, the SGC released a Fourth Revision of the Draft Scoping Guidelines, which provide greater clarity on the SGC's vision for the program and reflect public comments received on the Third Revised Draft Scoping Guidelines. The SGC received letters from 21 entities (Attachment 2) by the August 2 deadline. The proposed final draft includes updated language on the following:

- Project Readiness Requirements – Rather than requiring full readiness for all projects, the requirements were reduced to full readiness for three project types, including any affordable housing developments, and the requirement that they constitute at least 50 percent of the proposed TCC funding. Any project types not ready at full application must demonstrate readiness within the first year after grant selection.
- Consistency with Existing Plans – Clarification was added for situations where a jurisdiction does not have a General Plan, Specific or Community Plan updated in the last ten years. A letter of support from the local Planning Department could be substituted.
- Project Area Requirements – The requirement for project area overlap with the top 5 percent disadvantaged communities, as defined by CalEnviroScreen (CES) 3.0, was reduced from 75 percent to at least 51 percent; however, the remaining area (49 percent or less) must be comprised of census tracts that rank in the top 25 percent of CES 3.0 or qualify as low income according to Assembly Bill (AB) 1550.

- Clarifications to various other areas, including pre-contract consultation, displacement avoidance, climate adaptation and resiliency, scoring criteria, and planning grants.
- Modifications to the appendices to consolidate program requirements for the various California Climate Investment programs.

In addition, to allow potential applicants additional time to apply for TCC grants, the timeline was extended by one month for all activities subsequent to the adoption of the final guidelines and posting of the Notice of Funding Availability, such as deadlines for concept proposal, full application, and announcement of selected grantees. Please see updated timeline below.

Background:

On September 14, 2016, Governor Brown signed AB 2722 (Burke), which created the Transformative Climate Communities Program, a grant program administered by the Strategic Growth Council (SGC) for broad-based greenhouse gas emission reduction projects that provide local economic, environmental and health benefits to disadvantaged communities. \$140 million is available for the program for fiscal year 2016-2017, funded through cap and trade auction proceeds.

On December 6, 2016, the Strategic Growth Council adopted the following regulations for the Program:

Transformative Climate Community Program funds shall be allocated in the cities of Los Angeles and Fresno, and a third location. A minimum of half of the funds shall be allocated in the City of Fresno. A minimum of one fourth of the funds shall be allocated in the City of Los Angeles.

Initial Draft Scoping Guidelines - In November 2016, SGC released the program's Initial Scoping Guidelines, with public comments due on January 9, 2017.

Second, Revised Draft Scoping Guidelines - On February 9, 2017, SGC released the Revised Scoping Guidelines for the program. During February 2017, SGC convened a Stakeholder Summit on the TCC Program and hosted three public workshops in Fresno, Los Angeles, and San Bernardino. SGC also received comment letters from 32 entities by the March 13, 2017, public comment due date.

Third, Revised Draft Scoping Guidelines – On June 5, 2017, the SGC released a third revision of the Draft Scoping Guidelines, and received comment letters from 21 entities by the June 27 deadline. The SGC also hosted public workshops on the Third Revised Draft Scoping Guidelines in the cities of Los Angeles on June 20th and Fresno on June 22nd, and a public webinar on June 19th.

Administrative Procedures Act Exemption – On June 27, 2017, Governor Brown signed SB 92 (Committee on Budget and Fiscal Review), which exempts all Greenhouse Gas Reduction Fund Program guidelines from Administrative Procedure Act requirements for the 2016-2017 fiscal year, including the TCC program.

TCC Estimated Timeline

2016-2017 Transformative Climate Communities Program Timeline		
	Guidelines Development Process	
November 23, 2016	Release of Initial Scoping Guidelines for Discussion (30-day public comment period)	
December 6, 2016	SGC Approval of Rulemaking on Allocation of Program Funds	
February 10, 2017	TCC Summit & Release of Second Draft Scoping Guidelines	
February 2017 (mid)	Public Workshops in LA, Fresno & Inland Empire on Draft Scoping Guidelines	
March 13, 2017	Comments Due for Second Draft Scoping Guidelines	
June 5, 2017	Release of Third Draft Scoping Guidelines (30-day public comment period)	
June 27, 2017	Comments Due for Third Draft Scoping Guidelines	
July 26, 2017	Release of Fourth Draft Program Guidelines	
August 2, 2017	Comments Due for Fourth Draft Program Guidelines	
August 14, 2017	Posting of Proposed Final Program Guidelines	
August 24, 2017	Council Consideration for Approval of Final Program Guidelines	
Application Process		
	Implementation Grants	Planning Grants
August 25, 2017	Call for Concept Proposals	Call for Proposals
October 18, 2017	Deadline for Submission of Concept Proposals	
October 27, 2017	Announce Invitations to Full Application	
November 30, 2017	Deadline for Submission of Full Applications	Deadline for Submission of Proposals
January, 2018	Announce Implementation Grant Recipients	Announce Planning Grant Recipients

Recommended Action:

Adoption of the Final Draft 2016-2017 TCC Program Guidelines will allow staff to proceed with the solicitation of projects eligible under the Guidelines via a competitive process. The release of a 2016-2017 TCC NOFA and application are expected to occur on August 25, 2017.